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To : Forum Island Countries (FICs)
Date : 26 January 2018
From : Permanent Representative of PIF to WTO
Subject: Aid-for-Trade Update 4/2017

Please find attached, for your records, an update on Aid-for-Trade activities undertaken by the Pacific Islands Forum – Geneva Office (PIF-Geneva) in November-December 2017.

2. As the Aid-for-Trade Section of PIF-Geneva concludes its first year of activities, I thought it was important to collect our members’ opinion of its performance. To do so, the Office has prepared a short online survey that I would kindly ask you to complete by the 15 February 2018. The survey will take no longer that 3 minutes to complete, and will provide useful insights to improve our performance in the coming years. To start the survey, just click on the following link: https://www.surveymonkey.com/r/L8SMH2B

3. For further clarifications or follow-up, please contact Mr. Andrea Giacomelli, Trade Policy and Aid-for-Trade Adviser on andrea.giacomelli@pifs-geneva.ch

Mere Falemaka (Mrs.)
Permanent Representative, Ambassador
Permanent Delegation of the Pacific Islands Forum to the WTO
1. BACKGROUND

The Aid-for-Trade (AfT) Section of the Pacific Islands Forum Geneva Office (PIF-GVA) assists Forum Islands Countries (FICs) to make a better use of AfT opportunities provided by Geneva-based organisations and promotes their trade-related interests and needs.

2. ACTIVITIES

2.1 Networking

As of 31 December 2017, 109 Aid-for-Trade connections were included in the Office’s database.

2.2 Representation

On 16 November 2017 the Office gave evidence at the Hearings of the Commission of Inquiry established under the UK’s All-Party Parliamentary Group on Trade Out of Poverty (APPG-TOP). Also, the Office coordinated the PIFS’ written submission to the Commission - attached as Annex 1. The APPG-TOP Commission of Inquiry has been tasked to produce a report including recommendations detailing how the Commonwealth can drive the trade and development agenda forward over the next 5 years. The Commission is also to draft section on trade and development for inclusion in the Commonwealth Head Of Government Meeting (CHOGM) 2018 Communiqué and advocate for its adoption in the lead up to CHOGM 2018. The Commission’s report will be launched at the Commonwealth Business Forum in April 2018. A summary of the Commission’s initial findings was presented in the side-lines of the World Trade Organisation’s 11th Ministerial Conference (WTO MC11) – the summary is attached as Annex 2.

To improve the Pacific visibility on the global stage, the Office facilitated inclusion of the “Pacific Group” in the list of the most active negotiating groups at the WTO.

The Office attended the meetings of the Committee on Trade and Development (CTD), the WTO Committee with a mandate on Aid-for-Trade, which were convened on the 7 and 15 November 2017. A short summary of the meetings is included at Annex 3 – detailed summaries and supporting documents are available online.

2.3 Projects

2.3.1 Implemented

None

2.3.2 Completed/Secured

The Office supported FICs to secure an Aid-for-Trade projects worth about USD 1,880,000. A USD 1,750,000 project from the Enhanced Integrated Framework will support Vanuatu to establish an ASYCUDA World-based Electronic Single Window System, and to automate back-office functions of priority non-Customs agencies to enable seamless connection. Moreover, this period saw the award by the World Trade Organisation of two 6-month internships1 at the PIF-Geneva Office for Tonga (January-June 2018) and Vanuatu (July-December 2018), which are worth about USD 130,000.

2.3.3 Ongoing

The Office continued its work to conceptualise regional initiatives for consideration by donor partners. The Concept Note for an Environment and Trade project, which was jointly prepared with UN Environment is currently being tested with potential partners. The Office and the Melanesian Spearhead Group (MSG) Secretariat completed a joint proposal for the development of a regional

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1 Known as “WTO regional coordinator internships”. See here for further information: https://www.wto.org/english/tratop_e/devel_e/train_e/trainee_programmes_e.htm
AID-FOR-TRADE UPDATE 4/2017 (NOVEMBER-DECEMBER 2017)

initiative on e-Commerce, which was submitted to the TradeCom II program in December 2017. Discussions were undertaken with the Trade Advocacy Fund 2 (TAF2) program to identify beneficial projects in the area of Trade Negotiations. Finally, work accelerated on the development of a Concept Note for a regional initiative on Quality Infrastructure.

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* ‘Stage’ refers to the type of action within the project cycle that the Geneva Office is currently supporting, with: (1) Collection/Dissemination = initial engagement with partners and members to scope interest and feasibility; (2) Identification = High-level conceptualisation of possible project; (3) Formulation = detailed work on project proposals

3. APPLY! DEMAND-DRIVEN AID-FOR-TRADE FACILITIES ACCEPTING APPLICATIONS

(1) TradeCom II (2) Trade Advocacy Fund II (3) Standards Trade and Development Facility (4) Global Alliance for Trade Facilitation (5) [NEW!] Fit for Market

Update on TradeCom II – the TradeCom II program is entering its second and last phase – known as Program Estimates 2 (PE2). Tendering and implementation of selected PE2 projects will start in May-June 2018 and will last 18 months. Assessment of project proposals for PE2 will start very soon and will be done on a first-come, first-served basis. To avoid missing-out on this opportunity, FICs are encouraged to complete and submit a Request Form to the TradeCom II program as soon as possible.

Update on Standards Trade and Development Facility (STDF). The STDF has completed the selection process of its Developing Country Experts for the period 2018-2019. Ms Merriam Seth of Vanuatu has been selected to represent the Pacific region. She will participate in the STDF Working Groups that will select project proposals for funding. Bios of the newly selected experts will soon be available here.

The STDF Secretariat has released two new briefing notes that may be of interest to FICs. One briefing note focuses on how the capacity evaluation tools of the International Plant Protection Convention (IPPC), the World Organization for Animal Health (OIE), and the Food and Agriculture Organization / World Health Organization (FAO/WHO) are being used to identify priorities and solutions to SPS challenges in developing countries. Another briefing note focuses on the current state of play on SPS e-certification in the context of paperless trade.

4. DID YOU KNOW? FICs’ MEMBERSHIP TO INTERNATIONAL ORGANISATIONS: STANDARD-SETTING BODIES AND THE WORLD TRADE ORGANISATION

Membership to leading international organisations can provide significant benefits. Geneva hosts the three leading international standard-setting bodies, namely the International Organisation for Standardisation (ISO), the International Electrotechnical Commission (IEC), and the International Telecommunication Union (ITU). Members to these organisations can influence the international standard-setting process, which will in turn facilitate compliance with international standards. Developing country members of international standard-setting bodies can also benefit from technical assistance and cooperation programs.

2 See for example the ISO Action Plan for Developing Countries.
Geneva hosts the World Trade Organisation (WTO), the global rule-making forum on international trade. WTO members negotiate global trade rules with the view of facilitating market access for priority sectors whilst maintaining trade barriers in selected circumstances. Global trade rules also affect non-WTO members as they also set the benchmark for the disciplines included in Regional Trade Agreements. Developing country members of the WTO can benefit from significant technical assistance from the Institute for Training and Technical Cooperation (ITTC).

To improve FIC’s collective impact on the global standard-setting and trade rule-making process, seeking membership/observership to the WTO and the ISO appear options deserving consideration.

5. CONTACTS

To request additional information on the activities covered by the report, or to request support with regard to a specific project please contact Mr. Andrea Giacomelli, Trade Policy and Aid-for-Trade Adviser: andrea.giacomelli@pifs-geneva.ch

Please complete the online survey on the PIF Geneva Office by clicking on the link below:

https://www.surveymonkey.com/r/L8SMH2B
Submission to All Party Parliamentary Group on Trade Out of Poverty

1. What challenges do developing countries (particularly least developed countries and small island states) in the Commonwealth face in terms of harnessing trade and investment as tools to meet their development objectives? Please provide examples (personal experience and/or research findings)?

The departure of the UK from the EU (Brexit) poses a significant and immediate trade challenge to the Pacific. The UK absorbs a very significant percentage of EU’s imports from Pacific countries. Exports of these countries to the UK are currently benefitting from the EU’s unilateral preferences\(^1\). Fiji and PNG also benefit from the Duty-Free-Quota-Free access granted under an interim Economic Partnership Agreement (iEPA) with the EU. Post-Brexit, Pacific countries will require a beneficial trade arrangement with the UK giving significant preference to its priority products.

The Pacific Islands Forum (PIF) is a political grouping of 18 Members: Australia, Cook Islands, Federated States of Micronesia, Fiji, French Polynesia, Kiribati, Nauru, New Caledonia New Zealand, Niue, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

The Pacific Islands Forum Secretariat (PIFS) is based in Suva, Fiji. The Secretariat’s mandate is delivered through the annual Forum Leaders’ Communiqués and high level ministerial meeting decisions.

Developing Country Members of the PIF are known as Forum Islands Counties (FICs). 13 FICs are classified as Small Islands Developing States (SIDS) by the United Nations, of which 4 are Least Developed Countries (LDCs). FICs share many of the common challenges facing SIDS and LDCs including:

- Small size and population
- Remoteness from major markets
- Export concentration in few goods and services and consequent vulnerability to economic shocks
- Extreme vulnerability to natural disasters and the consequences of climate change
- Low education and health attainments
- Low income levels

The above challenges represent significant obstacles to harnessing trade and investment as tools to meet development objectives.

For example, FICs’ small size and population makes it difficult for its public and private sector to increase competitiveness by exploiting economies of scale in the production of traded and non-traded goods and services. Also, small size and population favour concentration of export in a limited number of goods and services, which makes FICs highly vulnerable to economic shocks - see for example the 2015-6 slowdown of PNG’s GDP due the fall in energy commodity prices\(^2\). Slow and rapid onset events linked to FICs’ vulnerability to natural disasters and climate change deter export-oriented investment, since they have the potential to nullify years of productive efforts in a relative short period of time - as sadly demonstrated by the destructive consequences of the 2015 cyclone PAM in Vanuatu.

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\(^1\) Generalised System of Preference (GSP) and, for Least Developed Countries, Everything but Arms (EBA)

64% of GDP\(^3\), the 2016 cyclone WINSTON in Fiji (31% of GDP\(^4\), or even by the progressive loss of land in countries such as Kiribati. Low education and health attainments undermine prospects for sustainable development and the possibilities for FICs to engage with global value chains.

Additional obstacles exist. Chances of small FICs’ businesses to successfully engage with profitable value chains are sometimes reduced by the high costs of certifying compliance with certain standards (such as organic and fair trade). Multiple and overlapping Membership of FICs to different sub-regional and regional trade arrangements add regulatory complications which may increase trade costs for the private sector. And FICs’ preference for cooperative approaches as opposed to deeper Regional Economic Integration (REI) sometimes can sometimes hinder trade expansion.

Over the years, the PIFS has supported the formulation of Trade Policy Frameworks (TPFs) for 11 of its Members. TPFs evaluate internal and external challenges on FICs’ integration into the world economy, and recommend actions suitable to address those constraints.

2. What opportunities can be identified within the Commonwealth to foster faster, more transformative economic growth, employment and poverty reduction for developing countries through expanding trade and investment?

**Non-discriminatory trade-related initiatives**

As highlighted by recent publications of the Commonwealth Secretariat, over the past 15 years intra-Commonwealth trade has increased at a faster rate than world trade, and this despite the lack of any formal arrangement between Commonwealth Members. A distinct “Commonwealth Advantage” made of historical ties, common administrative structures, etc. appears to explain the vitality of this voluntary association, which is able to reduce trade costs for its Members by 20% compared to the costs they face when trading with non-Members. The “Commonwealth Advantage” is one of the factors that explains why the UK absorbs such a significant percentage of EU total imports from countries such as Fiji, Samoa, Vanuatu, and New Zealand. From this point of view, the Commonwealth group stands to benefit from non-discriminatory trade-related initiatives aimed at reducing trade costs for its Members.

The PIFS is supporting FICs with the formulation and implementation of non-discriminatory trade initiatives which are aligned with some of the policy priorities identified by the ODI publication drafted in preparation for this enquiry. These include:

- **Support for all FICs (both WTO and non-WTO Members) to implement the WTO Trade Facilitation Agreement (TFA).** Improving trade facilitation represents a feasible option for FICs to offset some of their structural weakness such as small size and geographical distance from the main world markets. The PIFS, together with the World Bank, has assisted its Members to undertake TFA Needs Assessments and is supporting their efforts to secure Aid-for-Trade for its implementation.

- **e-Commerce and Connectivity.** e-Commerce offers a partial relief to structural constraints experienced by Pacific countries as it reduces the amount of face-to-face interaction which is necessary to successfully engage in international trade. For some services in particular – e.g. financial, insurance, health, and education - physical distances can be practically eliminated by e-Commerce, which as such presents an enormous potential to increase international competitiveness in the Pacific. The PIFS has supported regional sensitisation on the importance of e-Commerce, is supporting its Members to secure resources for e-Trade Needs Assessments, and is currently considering the development of a Regional e-Commerce Roadmap.
• More and better targeted Aid-for-Trade. Regional guidance on Aid-for-Trade is being provided by the PIFS in two ways: (1) through the formulation of a practical guide on Trade Mainstreaming, which will include directions on how to engage Development Partners to support TPF priorities; and (2) through the formulation of a Pacific Aid-for-Trade Strategy (PAfTS) for the period 2018-2022. The PAfTS 2018-2022 will draw a clear distinction between regional and national priorities and will propose AfT solutions where regional action can achieve higher returns than national interventions. By doing so, the PAfTS 2018-2022 will create the conditions for deepening REI in the Pacific.

• Measures to ensure that the benefits of tariff preferences are maximised for its developing country Members. The PIFS has supported its Members to make good use of the unilateral trade preferences granted by major players such as the EU. Moving forward, the PIFS is keen to provide similar support with regard to the unilateral trade preferences that may be granted by the UK post-Brexit. Moreover, the PIF Geneva Office is coordinating negotiating positions of its Members at the WTO.

Targeted trade-related initiatives

Traditional factors explaining trade flows (such as distance and market size) coupled with the observed “Commonwealth Advantage” can explain the strong trade relations between developed and developing PIF Members. It follows for Free Trade Agreements (FTA) between PIF Members the benefits from trade creation should outweigh the costs of trade diversion. In the area of FTA, the PIFS is extending its technical support towards implementation of the interim Economic Partnership Agreement (iEPA) with the EU, the Pacific Islands Free Trade Agreement (PICTA) between FICs, and the Pacific Agreement on Closer Economic Relations Plus (PACER Plus) between all its members. Moving forward, the PIFS is ready provide extensive support its Members with the view of establishing a beneficial trade arrangement with the UK giving significant preference to its priority products.

Other PIF’s initiatives that are targeting specific Commonwealth countries include the trade promotion activities undertaken by the Pacific Trade Invest (PTI) network, and the seasonal labour mobility schemes established by Australia and New Zealand and giving FICs access to certain sectors of their labour market.

The PTI network, an agency of the PIFS, is a cost-efficient mechanism of regional cooperation to promote export from and investment in FICs. Developing Country Members of the PIF are committed to export-led economic growth. Whilst this decision is based on a sound economic rationale, it must be acknowledged that positioning on the world stage demands a significant level of expertise, experience, and resources. Due to the small size of their economy FICs are unable to afford their own commercial presence in key export markets. The PTI network leverages regional economies of scale which make it possible for FICs to collectively enjoy the benefits of a commercial presence in key export markets. The network develops and promotes Pacific Islands exports, investments, tourism and creative arts across target international markets – Australia, New Zealand, EU/UK, China, and Japan.

FICs have a young population whose growth rates have exceeded economic growth, and an increasing number of new labour force that fails to find a job in the formal economy. On the other hand, Developed Country Members of the PIF present an ageing population, and labour shortages in a number of low-skilled and semi-skilled industries. In this setting, temporary labour mobility schemes represent a win-win solution, with sending countries benefiting from remittances, exposure to new ideas and on-the-job training, and with receiving countries befitting from a reliable and flexible workforce help key export industries to remain competitive. Australia and New Zealand have put in place successful labour mobility schemes benefitting FICs. The scope of these schemes is progressively expanding to new sectors and their scale is also expanding through loosening or elimination of existing caps.
3. What programmes and initiatives do Commonwealth institutions and member states currently offer to promote trade and investment for sustainable development? How are these regarded and is there scope to scale-up and achieve more impact? Is the Commonwealth reaching its full potential for co-operation in this area?

FICs have long benefitted and are still benefitting extensively from the **Hub and Spokes (H&S) program**. For counties as small as FICs, the availability of one qualified Trade Adviser can make a significant difference in the ability to achieve trade-related priorities. Long-term H&S Advisers posted to FIC Trade Ministries have provided strategic advice to senior officials and ministers, built and supplemented local Trade Policy and Aid-for-Trade capacity. Support provided by H&S Advisers over the years has played a critical role in overcoming the challenges to the successful conclusion RTA such as the PACER Plus, supporting the successful approval of national TPFs, establishing institutional mechanisms for TPF implementation such as National Trade Committees, and helping FICs to secure Aid-for-Trade projects. PIF Members would no doubt support the extension and possible scaling-up of H&S assistance. This is particularly true at a time when the PIFS’ Work Program is progressively advancing from trade negotiations and formulation of national TPFs to implementation of trade agreements and of specific trade policies in areas such as harmonisation of business practises and labour mobility. Capacity of PIF Members to implement trade agreements and trade policies is still weak and partly untested, and the case for the provision of H&S support in these areas is therefore very strong.

The PIFS also acknowledges the excellent services provided by the **Commonwealth Small States Office (CSSO) in Geneva**. The benefits of co-location have been significant for our Members and include: cost-reduction; possibility of learning from and forging partnerships with countries and groupings facing similar challenges; easier and better provision of trade-related services to our Members; and the establishment of the PTI Europe desk. Moving forward, the PIFS would certainly appreciate if Commonwealth support to the CSSO in Geneva was to continue.

In late 2011, **PTI Europe** was established as a single desk operation, co-located in the PIFS Permanent Delegation to the WTO office hosted by the CSSO in Geneva. PTI Europe trade promotion services, activities and interventions that utilise best practice methodology, are predicated on highly experienced staff and a well-established professional network. Utilisation by FIC enterprises, Trade Promotion and Private Sector Organisations is high, with the delivery of over 150 tailored services per annum and attributed EU/UK export sales growth of over £1 million for the first 9 months of the 2017. Scaling up PTI Europe, for example through the establishment of a dedicated office in the UK would significantly enhance FIC trade, SME and private sector development opportunities particularly in growing high value boutique market segments and industries including: essential oils, flavours and extracts; homeware, décor and furnishing; artisan and fine arts products; personal care and cosmetics; and certified and specialty food and beverages.

4. How can trade and development policies and programmes be best designed to maximise the shared gains from trade and investment and reduce poverty in the Commonwealth? Are there examples of best-practice trade and development policies/initiatives that have either been or could be deployed in developing countries within the Commonwealth?

Some trade-related initiatives referred to in the previous parts of this submission have received widespread recognition within and beyond the Pacific region, and could therefore be referred to as best-practice. These include

- **The Hub & Spoke program**, which itself partly mirrors another best-practice scheme such as the ODI Fellowship Scheme. The program has been crucial to strengthen strategic trade policy and institutional capacity in beneficiary countries.

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5 There are 11 ODI Fellows in the Pacific, of which 2 are based in Trade Ministers (Solomon Islands and Vanuatu). Cooperation between ODI Trade Fellows and Hub & Spokes fellow is strong in the Pacific.
- **The PTI network.** The Network represents an excellent example of how regional cooperation can support FICs’ to cost-efficiently tackle structural constraints of smallness and isolation.

- **The Recognized Seasonal Employer (RSE) scheme**, the temporary labour mobility scheme of New Zealand. The developmental effects of the RSE program have been rigorously established, and the program has earned the reputation as having a best practice design with its limited amount of red tape⁶

5. What is the Commonwealth best-placed to do to promote prosperity amongst its developing country Members compared to other development partners such as the World Bank or UN agencies? What should the priorities be for a new work programme for the Commonwealth on trade and development over the next 5-years?

A sub-set of priorities identified in the ODI publication drafted in preparation for this enquiry are strongly aligned with PIFS’ Work Program. These are Trade Facilitation, e-Commerce and Connectivity, Aid-for-Trade, Tariff Preferences, and Trade Governance⁷. Pursuance of these priorities by the Commonwealth would maximise the potential for cooperation between the two organisations and increase the impact of our joint action to promote prosperity amongst its Developing Country Members of the PIF. Other trade-related areas of fruitful cooperation between PIFS and Commonwealth could include labour mobility and establishment of a post-Brexit preferential trade arrangement with the UK.

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⁷ Notably, due its potential linkages with the PTI program
All-Party Parliamentary Group for Trade Out of Poverty

All-Party Parliamentary Group for Trade Out of Poverty Inquiry: Can the Commonwealth help developing countries trade out of poverty?

Part 1 - Background information

The All-Party Parliamentary Group for Trade Out of Poverty (APPG-TOP) in partnership with the Overseas Development Institute (ODI) is undertaking an Inquiry into the potential of the Commonwealth – its member states, business and civil society organisations, as well as its own Commonwealth institutions – to help developing countries use trade and investment to reduce poverty and accelerate economic growth. The Inquiry is being led by a committee of eminent persons and experts, broadly representative of the geographic and socio-economic diversity of the Commonwealth (members of Inquiry Committee are listed in Annex 1).

Commonwealth members’ combined exports of goods and services account for roughly 15 per cent of the world’s total exports. While the Commonwealth is not a formal trading block, a recent study found that trade costs are 19 per cent lower and countries tend to trade 20 per cent more when bilateral trade takes place between Commonwealth countries. Unsurprisingly, the growth of intra-Commonwealth trade is set to continue with the value of trade forecast to surpass $1 trillion by 2020.

The Commonwealth has long worked to promote sustainable development among its member states, with trade being a recognised vehicle through which to reduce poverty and improve livelihoods. While no specific Commonwealth mandate on trade and development currently exists, the inaugural Commonwealth Trade Ministers Meeting (CTMM), which took place in London in March 2017, highlighted the importance the Commonwealth heads of government place on improving conditions for trade and investment and emphasised their commitment to a free and fair multilateral trading system.

The 10 Commonwealth Policy Priorities for Trade and Development booklet published by ODI and the APPG-TOP in the lead up to the CTMM was put forward to stimulate debate and ensure Commonwealth trade ministers kept a focus on trade and investment policies and programmes that would enhance development outcomes. Some six months later, the APPG-TOP launched its Inquiry, with the aim to make a powerful case for an ambitious trade and development agenda for the Commonwealth as a whole.

Since the Inquiry launched in September 2017, the Inquiry Committee, supported by the Secretariat, has received over 30 submissions of written evidence from a range of civil society organisations and Commonwealth Trade Ministries. A Hearing was held in the House of Lords, Westminster on 16th November 2017, where 16 eminent trade and development experts provided verbal evidence to the Inquiry Committee (see Annex 2). A summary of the emerging findings from the evidence gathered thus far is outlined in Part 2 of this paper.

The Inquiry Committee is meeting with the various stakeholders, including Commonwealth Trade Ministers, in the sidelines of the Eleventh WTO Ministerial Conference in Buenos Aires to workshop these findings and gather feedback. The Final Inquiry Report will then be drafted and launched in February 2018 and later showcased at the Commonwealth Heads of Government Meeting (CHOGM) in London in April 2018.

The United Kingdom’s priorities for CHOGM 2018 are prosperity, security, fairness, and sustainability. The prosperity pillar is focused on boosting intra-Commonwealth trade and investment, maximising the opportunities offered by the ‘Commonwealth Advantage’. Promoting trade for development is encompassed within this pillar, making the APPG-TOP’s Inquiry a timely opportunity to put forward concrete, practical recommendations to advance the agenda.

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2 The Secretariat is provided a small team from ODI and Saana Consulting.
Part 2 – Emerging Issues

Through the evidence gathering process, some of the Commonwealth’s key strengths were identified, which are based on the diversity and variety of experiences encapsulated within the 52 member states. These include:

- The Commonwealth is an excellent platform for **knowledge sharing** and sharing best-practices. For example, existing tools/resources can be identified and the Commonwealth can help widen their scope and reach.

- The Commonwealth is uniquely placed to **build cooperative mechanisms** amongst members to enhance trade-related capabilities and opportunities. For example, platforms can be created for regulatory dialogue and co-operation, including for issues such as standards.

- The Commonwealth has the international, national and local links that enable it to create **supportive, and mutually beneficial partnerships**. The recently signed cooperation agreement between UNCTAD and the Commonwealth Secretariat is evidence of this.

Particular areas where the Commonwealth can leverage these strengths to deliver meaningful trade and development outcomes include:

- **Supporting small states**: As a leading voice supporting small states, the Commonwealth is well placed to broaden its assistance to small and vulnerable states and small island developing states to help them tackle their trade and investment constraints to promote sustainable development.

- **Building human capacity for trade**: With a long track record in building human capacity the Commonwealth can explore innovative ways to develop trade skills to support regional development, including through leveraging existing initiatives.

- **Championing ‘regulatory diplomacy’**: Particularly given the growing importance of services trade, the Commonwealth is well positioned to create platforms for dialog and cooperation on regulatory issues, such as competition policy and non-tariff barriers, and rules of origin.

- **Promoting women and youth in business**: Empowering women and the youth is a core focus within the Commonwealth. Working collaboratively and taking a top down and a bottom up approach, progress can be made on closing the gender gap and empowering women and youth to prosper through trade.

- **Supporting SMEs**: With its strong business and civil society links, the Commonwealth has the potential to scale up its support for SMEs, helping them can access global value chains, improve access to finance and leverage e-commerce opportunities.

- **Improving connectivity**: The Commonwealth has the ready laid foundations to further improve hard and soft infrastructure through which people and businesses can connect to facilitate trade and investment.
Annex 1

List of the APPG-TOP Inquiry Committee Members:

- **Lord Jeremy Purvis of Tweed**, Liberal Democrat Lords Spokesperson (International Trade) (co-chair)
- The Hon **Okechukwu Enelamah**, Minister of Industry, Trade and Investment, Government of Nigeria (co-chair)
- **Harsha Singh**, Executive Director, Brookings India and former Deputy Director General, World Trade Organisation
- **Patricia Francis**, former Executive Director, WTO-UNCTAD International Trade Centre
- **Dirk Willem te Velde**, Head, International Economic Development, ODI
- **Catherine Clark**, Head, International Relations, Prudential plc
- **Steven Pope**, Vice President, DHL Express Europe plc
- **Trudi Hartzenberg**, Executive Director, Tralac Southern Africa
- **Phil Rourke**, Executive Director, Centre for Trade Policy & Law, Carleton University
- **Angela Strachan**, Independent Consultant in Trade Facilitation and former staffer at UNESCAP, WTO-UNCTAD ITC and Commonwealth Secretariat
- **Chi Atanga**, Entrepreneur and CEO, Walls of Benin
- **Lisa McAuley**, CEO, Export Council of Australia
Annex 2

List of Inquiry Hearing participants:

- **Lord Marland**, Chairman, Commonwealth Enterprise and Investment Council
- **Dr Josephine Ojiambo**, Deputy Secretary-General (Political), Commonwealth Secretariat
- **Mr Bonapas Onguglo**, Chief, Trade Analysis Branch, UNCTAD
- **Dr Marion Jansen**, Chief Economist, International Trade Centre
- **Dr. Emily Jones**, Associate Professor in Public Policy (Global Economic Governance), University of Oxford
- **Mr Arif Zaman**, Executive Director, Commonwealth Businesswomen’s Network
- **Mr Philippe Isler**, Executive Director, Global Alliance for Trade Facilitation, World Economic Forum.
- **Dr Len Ishmael**, Former Ambassador of the Eastern Caribbean States to Europe
- **Mr Michael Gidney**, Chief Executive, Fairtrade Foundation
- **Mr Shanker Singham**, Director of Economic Policy and Prosperity Studies, Legatum Institute
- **Mr Mark Pay**, Managing Director, Direct Equity, Sectors & Regions, CDC Group
- **Dr Andrea Giacomelli** (Mr), Aid-for-Trade and Trade Policy Advisor, Permanent Delegation of the Pacific Islands Forum to the WTO
- **H.E. Mrs Mere Falemaka**, Permanent Representative of the Pacific Islands Forum to the WTO
- **Ms Deborah Vorhies**, Managing Director, International Centre for Trade and Sustainable Development
- **Dr Alex Vines**, Head, Africa Programme, Chatham House
- **Mr Bimbo Roberts Folayan**, Executive Director, Nigerian Diaspora Direct Investment Summit
Background

1. The Committee on Trade and Development (CTD) serves as a focal point and forum for the consideration, discussions and coordination of development issues in the WTO. In addition to its Regular Sessions, the CTD holds dedicated sessions on Aid-for-Trade (AfT), Regional Trade Agreements (RTA), Small and Vulnerable Economies (SVEs), and Special and Differential Treatment (S&D). Moreover, a Subcommittee on Least Developed Countries (LDCs) sits under the CTD.

Committee on Trade and Development

2. The 35th Dedicated Session on SVEs took place on the 7 November 2017. Reference was made to the Annual Report of the CTD in Dedicated Session on SVEs to the General Council. The Report summarized discussions undertaken in 2016 and 2017, referred to the work undertaken by the WTO Secretariat to identify challenges for SVEs, and noted that the CTD in Dedicated Session on SVEs will continue monitoring progress of the small economy proposals for the fuller integration of SVEs in the multilateral trading system.

3. Immediately after the 35th Dedicated Session on SVEs, the 41st dedicated sessions on AfT took place. Some highlights:
   i. The World Bank announced a new women-entrepreneurship initiative (WE-FI) aimed at investing in projects empowering women to trade across borders. The WE-FI initiative includes provision of seed-funds, with USD 300m allocated so far by donors such as Australia, China, and the UK. The aim is to reach USD 1bn of seed-funds.
   ii. The EU announced the forthcoming Update of its AfT Strategy. Since the date of the meeting the Update has been finalized and launched. It calls for improved synergies with other instruments such as trade agreements and the EU’s External Investment Plan, strengthen social and environmental sustainability, and better targeting of LDCs and fragile states.
   iii. The Enhanced Integrated Framework referred to the fact that 50 percent of the pledges to its Trust Fund have so far been disbursed. Visibility was given to projects in the Pacific including the Vanuatu Waterfront Upgrade, and the e-Trade Readiness Assessments in Samoa, Solomon Islands, and Vanuatu.
   iv. The ITC announced the launching of two new data tools, namely the Sustainability Map and the Export Potential Map.

4. On the 15 November 2017 the 8th Dedicated Session on the Monitoring Mechanism on Special and Differential Treatment took place. The Decision to review the S&D provisions was agreed adopted by Ministers in 2013 – 9th Ministerial WTO Conference in Bali. On that occasion, Ministers agreed that all S&D provisions be reviewed with a view to strengthening

1 https://docs.wto.org/dol2fe/Pages/FE_Search/DDFDocuments/239867/q/WT/COMTD/SEW37.pdf
them and making them more precise, effective and operational. The CTD Chairman reminded that, according to the 2013 Decision, the monitoring of S&D provisions in the Mechanism was to be undertaken on the basis of written inputs or submissions made by Members, as well as on the basis of reports received from other WTO bodies to which submissions by Members could also be made. However, no written submissions had been received to date. Therefore, the Monitoring Mechanisms is not yet operational.

5. Immediately after the 8th Dedicated Session on S&D, the 104th Regular Session of the Committee for Trade and Development took place. Some highlights:

i. The Chairman of the Joint Advisory Group (JAG) on the International Trade Centre (ITC) reported on its 51th Session. It was noted that in 2016 over 85 percent of country-specific interventions in 2016 focused on priority countries such as LDCs, Sub-Saharan countries, SIDS, SVE and post-conflict and fragile states. The launching of a Global Trade Helpdesk to facilitate exports by Micro Small and Medium Enterprises (MSMEs) was also announced. The Helpdesk was launched in December 2017. It was noted that an ITC Strategic Plan for the period 2018-2021 is now in place.

ii. A report was presented on the 2016 Technical Assistance and Training activities undertaken by the World Trade Organization (WTO). In 2016 resources decreased compared to 2016, however participants increased thanks to a boom in online training. The proportion of targets met increased by four percentage points compared to 2015, reaching 57 percent.

iii. The draft WTO Biennial Technical Assistance and Training Plan 2018-2019 was presented. It is expected that 88 percent of available annual financial resources (CHF 13.5m) will be devoted to achieve Key Result 1 of the Plan, namely “Government officials are implementing WTO Agreements and fully realizing Members' rights and obligations”. The Draft Plan is attached to this report.

iv. Notifications under the Enabling Clause were discussed. With regard to the Pacific Islands Countries Trade Agreement (PICTA), notified to the WTO in 2008, the CTD Chairman noted that a factual presentation to the CTD will be drafted after the PICTA has been ratified by all the parties.

v. The WTO presented a Report on Participation of Developing Countries in the Multilateral Trading System. It was noted that in 2016, the share of developing economies in world merchandise trade contracted to 42.5 percent for exports and 39.7 percent for imports, down by around 1 percent compared to 2014. On the other hand, developing economies’ participation in services exports increased from 29.9 percent in 2014 to 30.5 percent in 2016.

vi. The draft 2017 CTD Annual Report tabled at the meeting. No comments were received.

6 http://www.intracen.org/uploadedFiles/intracenorg/Content/About_ITC/Corporate_Documents/Strategic_Plan/Strategic%20plan%202018-21-Dec2017-web.pdf
8 https://docs.wto.org/dol2fe/Pages/FE_Search/DDFDocuments/82164/Q/WT/COMTD/N29.pdf
10 https://docs.wto.org/dol2fe/Pages/FE_Search/DDFDocuments/240026/q/WT/COMTD/W231.pdf